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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549ANNUAL AUDITED REPORT
FORM X-17A-5
PART III

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Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 ThereunderREPORT FOR THE PERIOD BEGINNING 01/01/10 AND ENDING 12/31/10
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: TRUENORTH SECURITIES, INC.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

8200 E. 32ND ST. N SUITE 100

(No. and Street)

WICHITA

(City)

KS

(State)

67226

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
DAVID L. STROHM, FINANCIAL AND OPERATIONS PRINCIPAL 316-266-6571

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

ALLEN, GIBBS & HOULIK, L.C.

(Name - if individual, state last, first, middle name)

301 N. MAIN, SUITE 1700

(Address)

WICHITA

(City)

KS

(State)

67202

(Zip Code)

CHECK ONE:

- ☒ Certified Public Accountant
☐ Public Accountant
☐ Accountant not resident in United States or any of its possessions.

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*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

SEC 1410 (06-02)

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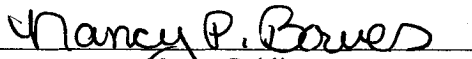
OATH OR AFFIRMATION

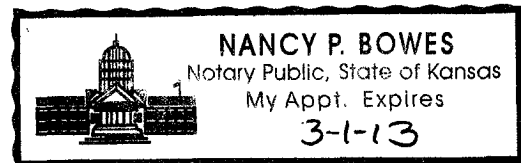
I, MARGARET E. HORNBECK, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of TRUENORTH SECURITIES, INC., as of DECEMBER 31, 20 10, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

N/A


Signature

PRESIDENT/CEO/CCO
Title


Notary Public



This report ** contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☐ (d) Statement of Changes in Financial Condition.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☒ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☒ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☒ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

***For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).*

TRUENORTH SECURITIES, INC.
(A WHOLLY-OWNED SUBSIDIARY OF TRUENORTH, INC.)

**FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION**

Years Ended December 31, 2010 and 2009

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Allen, Gibbs & Houlik, L.C.
CPAs & Advisors

INDEPENDENT AUDITORS' REPORT

The Board of Directors
TrueNorth Securities, Inc.

We have audited the statements of financial condition of TrueNorth Securities, Inc. (a wholly-owned subsidiary of TrueNorth, Inc.) as of December 31, 2010 and 2009, and the related statements of operations, stockholder's equity and cash flows for the years then ended that you are filing pursuant to Rule 17a-5 under the Securities Exchange Act of 1934. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of TrueNorth Securities, Inc. at December 31, 2010 and 2009, and the results of its operations and its cash flows for the years then ended, in conformity with auditing standards generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements, but is supplementary information required by Rule 17a-5 under the Securities Exchange Act of 1934. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The supplementary information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including (i) comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and (ii) other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Allen, Gibbs & Houlik, L.C.

February 22, 2011

TRUENORTH SECURITIES, INC.
(A WHOLLY-OWNED SUBSIDIARY OF TRUENORTH, INC.)

STATEMENTS OF FINANCIAL CONDITION

December 31, 2010 and 2009

ASSETS

| | <u>2010</u> | <u>2009</u> |
|---------------------------|-------------------|-------------------|
| Cash and cash equivalents | \$ 730,229 | \$ 671,092 |
| Commissions receivable | 159,300 | 67,000 |
| Prepaid expenses | <u>200</u> | <u>314</u> |
| | <u>\$ 889,729</u> | <u>\$ 738,406</u> |

LIABILITIES AND STOCKHOLDER'S EQUITY

| | | |
|--------------------------------------------------------------------------------------------------------------|-------------------|-------------------|
| Accounts payable | \$ 170,868 | \$ 155,328 |
| Accrued expenses, related parties | 12,765 | 700 |
| Income taxes payable, Parent | <u>80,088</u> | <u>79,861</u> |
| Total liabilities | <u>263,721</u> | <u>235,889</u> |
| Stockholder's equity: | | |
| Common stock, par value \$1 per share; authorized 100,000 shares, issued and outstanding 40,000 shares | 40,000 | 40,000 |
| Additional paid-in capital | 25,000 | 25,000 |
| Retained earnings | <u>561,008</u> | <u>437,517</u> |
| Total stockholder's equity | <u>626,008</u> | <u>502,517</u> |
| | <u>\$ 889,729</u> | <u>\$ 738,406</u> |

The accompanying notes are an integral
part of these financial statements.

TRUENORTH SECURITIES, INC.
(A WHOLLY-OWNED SUBSIDIARY OF TRUENORTH, INC.)

STATEMENTS OF OPERATIONS

Years Ended December 31, 2010 and 2009

| | <u>2010</u> | <u>2009</u> |
|-------------------------------------|-------------------|-------------------|
| Revenues: | | |
| Commission income | \$ 995,319 | \$ 859,943 |
| Other income | 72,552 | 58,316 |
| Interest | <u>1,074</u> | <u>1,400</u> |
| | <u>1,068,945</u> | <u>919,659</u> |
| Expenses: | | |
| Payroll, payroll taxes and benefits | 718,720 | 545,746 |
| General and administrative | <u>146,646</u> | <u>170,910</u> |
| | <u>865,366</u> | <u>716,656</u> |
| Income before income taxes | 203,579 | 203,003 |
| Income taxes - current | <u>(80,088)</u> | <u>(79,861)</u> |
| Net income | <u>\$ 123,491</u> | <u>\$ 123,142</u> |

The accompanying notes are an integral
part of these financial statements.

TRUENORTH SECURITIES, INC.
(A WHOLLY-OWNED SUBSIDIARY OF TRUENORTH, INC.)

STATEMENTS OF STOCKHOLDER'S EQUITY

Years Ended December 31, 2010 and 2009

| | <u>Common Stock</u> | | | | |
|----------------------------|---------------------------------|------------------|-------------------------------------------|------------------------------|-------------------|
| | <u>Number of Shares</u> | <u>Amount</u> | <u>Additional Paid-in Capital</u> | <u>Retained Earnings</u> | <u>Total</u> |
| Balance, December 31, 2008 | 40,000 | \$ 40,000 | \$ 25,000 | \$ 314,375 | \$ 379,375 |
| Net income | | | | <u>123,142</u> | <u>123,142</u> |
| Balance, December 31, 2009 | 40,000 | 40,000 | 25,000 | 437,517 | 502,517 |
| Net income | | | | <u>123,491</u> | <u>123,491</u> |
| Balance, December 31, 2010 | <u>40,000</u> | <u>\$ 40,000</u> | <u>\$ 25,000</u> | <u>\$ 561,008</u> | <u>\$ 626,008</u> |

The accompanying notes are an integral
part of these financial statements.

TRUENORTH SECURITIES, INC.
(A WHOLLY-OWNED SUBSIDIARY OF TRUENORTH, INC.)

STATEMENTS OF CASH FLOWS

Years Ended December 31, 2010 and 2009

| | <u>2010</u> | <u>2009</u> |
|---------------------------------------------------------------------------------|------------------------------|------------------------------|
| Cash flows from operating activities: | | |
| Net income | \$ 123,491 | \$ 123,142 |
| Adjustments to reconcile net income to net cash flow from operating activities: | | |
| Changes in operating assets and liabilities: | | |
| Commissions receivable | (92,300) | (22,837) |
| Prepaid expenses | 114 | 231 |
| Accounts payable | 15,540 | 78,253 |
| Accrued expenses, related parties | 12,065 | 100 |
| Income taxes payable, Parent | 227 | 8,249 |
| Net cash flow from operating activities | <u>59,137</u> | <u>187,138</u> |
| Increase in cash and cash equivalents | 59,137 | 187,138 |
| Cash and cash equivalents, beginning of year | <u>671,092</u> | <u>483,954</u> |
| Cash and cash equivalents, end of year | <u><u>\$ 730,229</u></u> | <u><u>\$ 671,092</u></u> |

The accompanying notes are an integral
part of these financial statements.

TRUENORTH SECURITIES, INC.
(A WHOLLY-OWNED SUBSIDIARY OF TRUENORTH, INC.)

NOTES TO FINANCIAL STATEMENTS

1. BUSINESS OPERATIONS

TrueNorth Securities, Inc. (Company) was incorporated in the State of Kansas in 2000 and is a wholly owned subsidiary of TrueNorth, Inc. (Parent). The Company is a limited broker/dealer providing retirement plan investments to corporate customers. The Company is registered with the Securities Exchange Commission (SEC) and is a member of the Financial Industry Regulatory Authority (FINRA). TrueNorth, Inc. provides investment advisory services and is a wholly owned subsidiary of The IMA Financial Group, Inc. The Company operates under the provisions of Paragraph (k)(1) of Rule 15c3-3 of the SEC and, accordingly, is exempt from the remaining provisions of that Rule.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash Equivalents – For purposes of reporting cash flows, the Company considers all highly liquid debt instruments with a maturity of three months or less at the date of purchase to be cash equivalents.

The Company maintains its cash in bank deposit accounts that, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risk on cash.

Revenue Recognition and Commissions Receivable – Revenue is recognized when services are performed. Commissions receivable are estimated amounts due from investment transactions occurring prior to year-end but not received before year-end. No allowance is necessary as all amounts are deemed collectible.

Income Taxes - The Company files consolidated income tax returns with The IMA Financial Group, Inc. and its subsidiaries. Income taxes or benefits are allocated to the Company on the basis of its individual taxable income or loss, using a combined state and federal tax rate of 39%. The result of these allocations is reported on the balance sheets under the caption "Income taxes payable, Parent."

When applicable, deferred taxes are provided on a liability method whereby deferred tax assets are recognized for deductible temporary differences and operating loss and tax credit carryforwards and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment. As of December 31, 2010 and 2009, there were no deferred tax assets or liabilities.

The Company recognizes the financial effects of a tax position only when it believes it can more likely than not support the position upon an examination by the relevant tax authority. Since the Company files a consolidated tax return with its parent, tax positions taken by the Company are evaluated in the consolidated tax return. As of December 31, 2010, no amounts have been recorded as uncertain tax positions in the Company's financial statements.

Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates

TRUENORTH SECURITIES, INC.
(A WHOLLY-OWNED SUBSIDIARY OF TRUENORTH, INC.)

NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

and assumptions that affect: (1) the reported amounts of assets and liabilities, (2) disclosures such as contingencies, and (3) the reported amounts of revenues and expenses included in such financial statements. Actual results could differ from those estimates.

Subsequent Events – Subsequent events have been evaluated through February 22, 2011, the date the audited financial statements were available to be issued.

3. INCOME TAXES

The income tax provision differs from the amount of income tax determined by applying the U.S. federal income tax rate to pretax income, primarily due to state income taxes and non-deductible expenses.

4. RELATED PARTY TRANSACTIONS

The Company is affiliated through common ownership with The IMA Financial Group, Inc., and its subsidiaries, (Affiliates) which include the Company's Parent, TrueNorth, Inc. The Company shares office space with its Affiliates and is allocated a portion of rent. Administrative, recordkeeping, operational and other services necessary to conduct the Company's operations are provided to the Company by its Parent, other Affiliates or employees of Affiliates. For 2010 and 2009, the Company recognized \$116,375 and \$97,972 respectively, of expenses related to these sharing arrangements. The expense is included with general and administrative expenses on the statement of operations. The Company owed its Affiliates \$12,765 and \$700, reflected as accrued expenses, related parties on the statements of financial condition at December 31, 2010 and 2009, respectively.

Because the Company is under common ownership and management control with its Affiliates, its operating results and financial position may differ from those that would have been obtained had the Company been autonomous.

5. NET CAPITAL REQUIREMENTS

The Company is subject to the SEC uniform net capital rule (Rule 15c3-1), which requires the maintenance of a minimum amount of net capital and requires the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. Rule 15c3-1 also provides that equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10 to 1. At December 31, 2010, the Company had net regulatory capital and net capital requirements of \$466,508 and \$17,581, respectively. The Company's aggregate indebtedness to net capital ratio was .57 to 1. At December 31, 2009, the Company had net regulatory capital and net capital requirements of \$502,203 (prior to a change in methodology) and \$15,726 respectively. The Company's aggregate indebtedness to net capital ratio was .47 to 1.

SUPPLEMENTARY INFORMATION

TRUENORTH SECURITIES, INC.
COMPUTATION OF NET CAPITAL UNDER
RULE 15c3-1 OF THE SECURITIES EXCHANGE COMMISSION

SCHEDULE 1

December 31, 2010 and 2009

| | <u>2010</u> | <u>2009</u> |
|------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|
| Aggregate indebtedness: | | |
| Accounts payable | \$ 170,868 | \$ 155,328 |
| Accrued expenses | 12,765 | 700 |
| Income taxes payable, Parent | <u>80,088</u> | <u>79,861</u> |
| Total aggregate indebtedness | <u>\$ 263,721</u> | <u>\$ 235,889</u> |
| Net capital: | | |
| Credit items: | | |
| Common stock | \$ 40,000 | \$ 40,000 |
| Additional paid-in capital | 25,000 | 25,000 |
| Retained earnings | <u>561,008</u> | <u>437,517</u> |
| Total credit items | <u>626,008</u> | <u>502,517</u> |
| Deductions and charges: | | |
| Other deductions | <u>159,500</u> | <u>314</u> |
| Total deductions and charges | <u>159,500</u> | <u>314</u> |
| Net capital | <u>\$ 466,508</u> | <u>\$ 502,203</u> |
| Capital requirements: | | |
| Net capital | \$ 466,508 | \$ 502,203 |
| Greater of 6-2/3% of aggregate indebtedness or minimum stated net capital for broker-dealer subsidiary (\$5,000) | <u>17,581</u> | <u>15,726</u> |
| Net capital in excess of requirements | <u>\$ 448,927</u> | <u>\$ 486,477</u> |
| Ratio of aggregate indebtedness to net capital | <u>.57 to 1</u> | <u>.47 to 1</u> |

There were no liabilities subordinated to the claim of general creditors at December 31, 2010 and 2009.

TRUENORTH SECURITIES, INC.

**RECONCILIATION OF THE COMPUTATION OF NET CAPITAL AND AGGREGATE
INDEBTEDNESS WITH THAT OF THE REGISTRANT
AS FILED IN PART IIA OF FORM X-17A-5**

SCHEDULE 2

December 31, 2010 and 2009

| | <u>2010</u> | <u>2009</u> |
|------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|
| Aggregate indebtedness: | | |
| Aggregate indebtedness as reported by registrant in Part IIA of Form X-17A-5 as of December 31, 2010 and 2009 | <u>\$ 263,721</u> | <u>\$ 235,889</u> |
| Aggregate indebtedness as computed on Schedule 1 | <u>\$ 263,721</u> | <u>\$ 235,889</u> |
| Net capital: | | |
| Net capital as reported by the registrant in Part IIA of Form X-17A-5 as of December 31, 2010 and 2009 | <u>\$ 466,508</u> | <u>\$ 502,203</u> |
| Net capital as computed on Schedule 1 | <u>\$ 466,508</u> | <u>\$ 502,203</u> |



Allen, Gibbs & Houlik, L.C.
CPAs & Advisors

TRUENORTH SECURITIES, INC.

(A WHOLLY-OWNED SUBSIDIARY OF TRUENORTH, INC.)

FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION

YEARS ENDED DECEMBER 31, 2010 AND 2009

WITH

INDEPENDENT AUDITORS' REPORT



TRUENORTH SECURITIES, INC.
(A WHOLLY-OWNED SUBSIDIARY OF TRUENORTH, INC.)

FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION
YEARS ENDED DECEMBER 31, 2010 AND 2009
WITH
INDEPENDENT AUDITORS' REPORT